



City of Sioux Falls
SOUTH DAKOTA

2020 BUDGET

MAYOR'S RECOMMENDED



EXECUTIVE SUMMARY

SIoux FALLS CITY COUNCIL



PAUL TENHAKEN
MAYOR



JANET BREKKE
AT-LARGE



CHRISTINE M. ERICKSON
AT-LARGE



RICK KILEY
SOUTHEAST



GREG NEITZERT
NORTHWEST



MARSHALL SELBERG
SOUTHWEST



CURT SOEHL
CENTRAL



PAT STARR
NORTHEAST



THERESA STEHLY
AT-LARGE



Mayor Paul TenHaken

CITY OF SIOUX FALLS

224 West Ninth Street • P.O. Box 7402 • Sioux Falls, SD • 57117-7402 • www.siouxfalls.org
605-367-8800 • 605-367-8490 FAX • 605-367-7039 TTY/Hearing Impaired

August 1, 2019

Subject: Fiscal Year 2020 Budget

Dear City Council:

Today, I submit to you the 2020 budget for your consideration. On Monday, August 5, 2019, at 3 p.m., I will present the entire budget for Fiscal Year 2020, including the highlights of the five-year Capital Program.

The 2020 budget reflects our citywide vision of “taking care of today for a better tomorrow.” Being good stewards of taxpayer dollars is one of our most important duties as elected officials. The budget recognizes that, as the City expands, so too does the need for improving and growing our public infrastructure, providing essential services that residents and visitors can rely on, and enhancing our quality of life.

This budget is based upon stable revenue growth and the City’s ability to make the most of existing revenue sources, not taking any more than allowed by inflation or what is necessary to maintain essential services. It is critical we leverage data to make informed decisions and implement innovative ideas to maximize our use of resources to accommodate this growth, take care of our existing infrastructure, and plan ahead for an even brighter future for Sioux Falls.

In keeping with the One Sioux Falls Framework, new expenditures for programs and projects are specifically tied to this framework or a departmental BHAG (big hairy audacious goal) to make Sioux Falls even better.

Safety and Health: The 2020 budget funds our public safety priorities by adding five new positions within the police department and funding our share of several new employees for Metro Communications. A Community Resource Officer focused on mental health is also part of this funding request. Accompanying this investment in mental health is funding for our partnership to launch the Community Triage Center in 2020. These combined efforts are part of a strategy to help narcotics users overcome their addiction while going after the drug suppliers and dealers. We have also included a pilot project for a Police report-to-work location to stretch existing resources by saving both commute times and space constraints at the downtown Law Enforcement Center.



Accessible Housing: Housing continues to be a challenge for cities throughout the region and nation. The proposed 2020 budget focuses on making better use of our housing investments by partnering with other governmental and community organizations to connect residents to resources through a new housing clinic, and focusing our efforts on increasing the availability of quality affordable dwelling units. This is a reminder that it does not always take significant budget increases to make a greater impact, but rather, it requires us to think differently in tackling difficult issues facing our community.

Workforce: Maintaining a city that is appealing for our workforce to call home is critical. The 2020 budget enhances our commitment to upgrading our streets infrastructure within the Capital Program along with increased funding for snow removal operations. Ensuring our commitment to maintaining a high-quality Parks and Recreation system, the 2020 budget increases repair and maintenance funding, invests in tree replacements, and adds a park service worker to help maintain one of the best bike trail systems in the Midwest. Investment in arts receives a boost by funding an arts commission consultant to help guide our future arts strategy. Our support for Southeast Tech is again a part of this budget as we rely on them to execute a strong workforce readiness program. Finally, we've added funding within the professional services budget for the events complex to continue exploration or design for whatever next steps may be recommended by the Events Campus Study Group.

Engaging People: Bringing more citizens into the discussion on City issues as well as investing in City employees can be found throughout the budget. The Onward Program will continue in its second year to groom City employees for professional development as leaders in the City. The Peakon engagement survey platform will transition from pilot phase to city-wide employee implementation. There will also be continued focus on the core values of the City (Safety, Teamwork, Innovation, Character, and Respect). The City staff also continue to advance their focus on customer service. To ensure culture, values, customer service and engagement has a dedicated focus, there is an employee request for a Chief Culture Officer position in the mayor's office. This role will serve to grow and empower employees so they can serve the public with excellence.


In the coming weeks, more details on these items and many other items in the budget will be discussed with the Council and the public. In meantime, I hope you have an opportunity to review the proposed budget for 2020 and I look forward to working together to set the stage for another successful year in 2020.

Best regards,



Paul TenHaken
Mayor

GENERAL ADMINISTRATION

PERSONNEL  \$ 13.9 M
 OPERATING  \$ 4.5 M
 DEBT SERVICE  \$ —
 CAPITAL  \$ 0.9 M

\$19.3M

General Administration encompasses several departments and divisions that primarily serve to support the City from an administrative standpoint including Human Resources, Finance, City Attorney's Office, Innovation and Technology, and

Facilities Management.

Human Resources provides a broad range of support needs across departments including compensation and benefits, safety, health and wellness, employee recruitment and retention, and labor relations. Attracting and retaining the best and brightest to work for the City is a growing challenge in an increasingly competitive workforce climate. Human Resources is focusing even greater attention on employee retention and pursuing innovative ways to attract new employees. The department introduced the Onward Leadership Program in 2019 to build new leaders and provide opportunities for teams to come together across departments to address issues important to the City. The department's 2020 budget includes funding for full implementation of the Peakon software system, which allows the City to continually measure employee engagement and identify areas of opportunity for improving the City's workforce.

Human Resources also oversees centralized Facilities Management, which is charged with maintaining various buildings owned and occupied by the City. Facilities Management's budget includes an additional \$50,000 in 2020 to focus on cyclic maintenance and high priority repairs. Several years ago, Facilities Management had a comprehensive assessment completed of various building assets that identified a number of deferred maintenance items. Facilities Management continues to address these priorities to ensure that the City's investment in its buildings and related capital assets are protected long-term.

The Finance department supports the City in terms of budgeting, accounts payable, cash management, investments, purchasing, financial reporting, forecasting, and operational analysis and support. Finance continues to focus on maintaining and improving the financial strength, balance, and integrity of the City to ensure that existing and developing needs of the City can be supported.

The City Attorney's Office provides support in all legal and risk management functions. As the community continues to grow, the amount of work that must be handled by this department expands since almost everything the City executes involves contractual agreements, research, and other legal support. The 2020 budget includes two additional FTEs for the City Attorney's Office including an attorney and paralegal, both dedicated specific to Public Works and funded through the Public Works enterprise funds. The attorney position replaces a position that was previously filled by a part-time attorney.

The department of Innovation and Technology (DoIT), which includes Innovation, Technology, Communications and GIS, is playing an increasingly important role in City operations. Innovation is key to ensuring that the City is proactively leveraging new technologies to support essential operations. New applications such as SeeClickFix and online portals like the City of Sioux Falls' Dashboard are transforming the way residents are able to receive information and interact with their City government. Digital communications are key to ensuring additional transparency and citizen access. DoIT's 2020 budget includes funding to add a Digital Content Specialist who can provide consistency around how the City communicates on existing and emerging online platforms.

Data is critical to how "Smart" cities operate and good data drives decisions on where limited resources are dedicated. The amount of data that is available across city programs and platforms is expanding exponentially. Data integrity and consistency, in addition to being able to read the data, are critical to effectively utilizing this information to make city operations more efficient. The 2020 budget includes funding for a city-wide IT Data Analyst position to ensure that the City is properly leveraging the volumes of data being generated, making sure that it can be accessed and interpreted in a consistent fashion, and maximizing the potential to use current data to change the way the City conducts operations. GIS will play a critical role in leveraging data from across all departments and providing visual representations of these datasets.

Innovation is not just limited to technology. More broadly, it is about how we interact, the process we use to analyze issues and generate solutions, and the way we create energy to move these solutions from concept to implementation. DoIT has taken the lead in the development of a CORE team to address the City's public transit system. As this CORE team moves from the problem solving and conceptual stages to piloting potential implementation, what was learned from this process will be applied to other key issues across the City in 2020 and beyond.

34 CITY-OWNED PROPERTIES
 MAINTAINED BY FACILITIES MANAGEMENT



TOTALING 880,000 SQUARE FEET



120 MEETINGS
 RECORDED AND BROADCASTED FOR PUBLIC BY COMMUNICATIONS

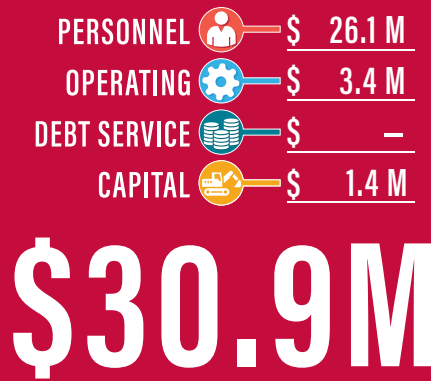


1,245 AGREEMENTS MANAGED BY THE CITY ATTORNEY'S OFFICE



3,048 FULL-TIME JOB APPLICATIONS PROCESSED BY HUMAN RESOURCES

FIRE RESCUE



If you have experienced or witnessed a traumatic event such as a car accident, medical emergency, fire, or rescue you have seen first-hand the professionalism and expertise of the people that comprise Sioux Falls Fire Rescue. While there is a general sense of

appreciation community wide of the work that our firefighters do, it is these moments when firefighters are needed most that a person realizes the importance of having highly trained firefighters ready to respond rapidly and effectively when major events occur that impact lives and property. That is why it is so critically important to ensure that we continue to invest in our Fire Rescue department and their all hazards training to maintain and continue improving their capacity to meet the needs of Sioux Falls residents, visitors, and businesses.

Investing in a new Public Safety Training Facility is key to ensure the training needs of our public safety personnel are met long-term. A conceptual plan has been developed and a 100 acre parcel of land in northeast Sioux Falls has been identified to replace the existing outdated training facilities, some of which are no longer safe to utilize. Once the project scope and prospective costs are more defined, the City will be coming forward with a bond request to fund construction of the Facility. The Facility will not only ensure that Sioux Falls has the best trained firefighters and police, but it will provide an opportunity for Sioux Falls to continue joint training with other partners including surrounding

fire departments. Sioux Falls has mutual aid agreements with many of these volunteer driven organizations which operate with minimal resources. This can serve as a great example of collaboration and how the City can help lead these efforts to the benefit of the entire region.

In addition to the investing in a public training facility, design continues on the community's newest fire station to be located at the corner of 41st and Faith Avenue. Construction is planned for 2020 and an opening in 2021. Protecting people and property from the risks of fire, medical and other emergencies requires resources properly located and equipped to meet the demand. This infrastructure requirement ensures that the Fire Rescue department can continue to meet its existing emergency response impact while also serving a rapidly expanding portion of the community. Funding for this project is proposed to be done in conjunction with the bonding for the Public Safety Training Facility with anticipated debt service included in the 2020 budget and capital program.

In 2019, Sioux Falls Fire Rescue was re-accredited through the Center for Public Safety Excellence (CPSE) and the community continues to see an ISO rating of 1, the highest rating a community can receive. These achievements are a testament to the community and 208 dedicated firefighters serving Sioux Falls. Proactively engaging and educating the community is central to the department's mission of risk reduction and preventing loss before it occurs including teaching youth about fire safety, helping properly install child safety seats in vehicles, distributing fire alarms, planning for emergencies, and inspecting commercial buildings. Investing in the challenges of today will return a future that ensures the department can meet the current risks and emergencies along with meeting new ones in the future.

180 FIREFIGHTERS
28 SUPPORT STAFF



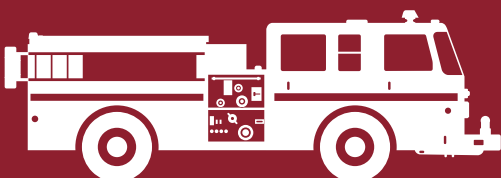
SUPPORT OVER
12,500 CALLS PER YEAR

NEW FIRE STATION



41ST & FAITH AVE
TO BEGIN CONSTRUCTION IN 2020

1 NEW FIRE TRUCK
1 NEW EMS RESPONSE UNIT



96% PROPERTY
SAVE RATE AFTER
EXPOSURE TO FIRE

\$218 MILLION IN SAVINGS IN 2018



90% OF PRIORITY
EMERGENCY CALLS



TRAVEL TIME OR LESS

POLICE DEPARTMENT

POLICE DEPARTMENT

PERSONNEL		\$ 34.4 M
OPERATING		\$ 5.8 M
DEBT SERVICE		\$ —
CAPITAL		\$ 1.3 M

\$41.5M

The Mission of the Sioux Falls Police Department is to partner with the community to serve, protect and promote quality of life. While this statement is simple; it is part of the DNA of the organization and is the starting point in everything the Police Department does.

The first and most important priority of the department is the protection of human life. Every officer of the department is trained and prepared to place themselves into harm's way at a moment's notice. This and the protection of citizen's property are fundamental pieces of the department's mission to promote a safe city with a strong quality of life. Officers understand they are civil servants and are motivated to do the job because the truth and the law matter and must be defended and preserved.

Finding creative ways to address issues in the community are central to the department's vision going forward. An example in 2020 is adding a Community Resource Officer (CRO) with specific training in working with persons dealing with mental health and addictions crises in their lives. This timely addition compliments the Triage Center concept currently underway.

It is also important to the department that it projects in the direction of prominent city growth and keeps up with citizen expectations for service and response times. Accordingly, the department is proposing to lease building space in the southwest portion of the city for a remote Police Report to Work location. This concept will reduce commute times and relieve personnel workspace and parking congestion at the downtown Law Enforcement Center. Leasing provides an opportunity to review success and maintain flexibility for the future.

Although the department has seen success in their enhanced efforts in combating narcotics trafficking, increased emphasis on narcotic crimes and investigations is imperative as narcotics continue to be the main driver of crime in Sioux Falls. The department has expanded the number of detectives assigned to the task of narcotics enforcement as well as reallocating resources to add a second Police Sergeant.

One of the biggest challenges faced by the Police Department is keeping up with the growth of the city. Maintaining the proper number of officers, managing response time and making sure the department is meeting the public safety expectations of citizens are very important. Four additional staff officer positions are part of the 2020 budget.

The 2020 budget also includes a \$270,000 increase in the City's commitment to Metro Communications. As a joint venture between the City of Sioux Falls and Minnehaha County, this vital link in the public safety system has held the line on staff increases over the last several years. After an extensive joint review of Metro Communication's operations, it was evident that additional resources are necessary to support not only the increased call for service volume but also the growth in the City and County public safety workforces. This increase will fund four additional Metro Communication employees and begin a more consistent approach to adding personnel going forward.

PUBLIC PARKING FACILITIES

PERSONNEL		\$ 0.8 M
OPERATING		\$ 0.8 M
DEBT SERVICE		\$ 1.7 M
CAPITAL		\$ 20,000

\$3.3M

Public parking is a self-supporting enterprise fund established to provide sufficient, convenient, and safe parking for the employees, customers and visitors of downtown Sioux Falls. Parking operates and manages approximately 4,000 on-street and off-

street parking spaces. Facilities owned and operated include six parking ramps, 14 surface lots, and 1,000 metered parking spaces located throughout downtown.

The new parking ramp will add 525 additional parking spaces in 2020. As the current system has a 97% occupancy rate, these spaces will help meet current downtown parking demands and drive opportunities for business expansion. Leaseholders will be able to park closer to their place of work and more on-demand parking will be available. The division plans to expand the use of integrated parking solutions, including installation of additional credit card and app payment meters and stations. These solutions will be easier for customers to use and be less costly to maintain. License plate recognition technology will also be integrated creating even more efficiencies.

SWORN OFFICERS—269
CIVILIAN EMPLOYEES—37
PUBLIC PARKING STAFF—11

317
TOTAL STAFF



IN 2020, SFPD WILL ADD A
MENTAL HEALTH & ADDICTION
COMMUNITY RESOURCE OFFICER

122,771 POLICE CALLS

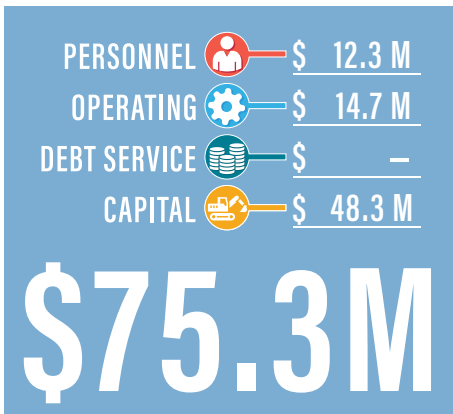
IN 2018



OVER 700 BLOCKS OF STREET PRESERVATION, REHABILITATION, AND RESCONSTRUCTION

PREPARED TO REPAIR MORE THAN 10,000 POTHOLES

HIGHWAYS & STREETS—ENGINEERING



Did you know that Sioux Falls has 840 centerline miles of street? If you lined it up, that would be enough street miles to take you from Sioux Falls all the way to Yellowstone National Park in Wyoming! With 20 additional miles added annually, the City's street

system is its largest asset. The dedicated Engineering team is busy ensuring a quality transportation network for the benefit of community residents and ensuring businesses have proper access to transportation systems to support their growth.

In fall 2019, the City will be updating its pavement condition index (PCI), a comprehensive assessment of the condition of the roadways. In 2015, the City scored 70 overall on a scale of 0–100, which is considered 'good'. The results of this study, available in early 2020, will help guide pavement management strategies and prioritize reconstruction efforts over the next several years.

Priorities in the next year include adding drive lane capacity to Marion Road to ensure successful opening of the new Jefferson High School, continuing efforts on ADA improvement to public right-of-way facilities, and coordinating with the State of South Dakota on two existing interchange improvement projects, with an additional five interchange projects planned in the next six years.

The Engineering team is also a critical partner in helping departments with major construction projects. In 2020, the team will be helping to support the completion of the third floor at City Center, improvements to the City Annex, and the Public Safety Training Facility.

To keep up with growth, Engineering is proposing to add one additional engineer in 2020 whose responsibilities would be split between the Water division and Light and Power division, and would be funded entirely from the two enterprise funds.

HIGHWAYS & STREETS—STREET

The Street division of Public Works is responsible for some of the toughest work in our city. In the winter, crews work around the clock to clear snow and ice from more than 3,000 lane miles of street, typically accomplishing this in 24 hours. This helps ensure safer commutes, reduces the likelihood of accidents for residents, and keeps our cold-weather economy humming. In addition to the increasing cost for road salt, the large number of snow events in the last few years continue to put pressure on the City budget. In 2020, \$930,000 was added to the budget to help cover anticipated snow removal expenses and road salt supplies.

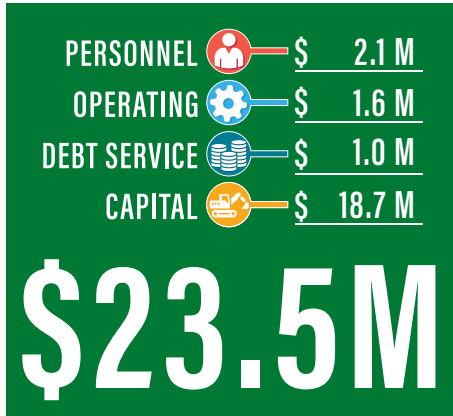
When winter finally moves on and we welcome warmer temperatures, the Street crews gear up for pothole patching, asphalt repair, slurry seal, and mill and overlay operations. Wet and severe cold winter conditions have negatively impacted road conditions in the last year. Implementation of the SeeClickFix app has helped to identify potholes and frost boils more quickly. Thus far in 2019, the team has filled over 4,700 potholes. Crews will mill and overlay roughly 200 city blocks, and slurry seal 400 city blocks.

Street sweeping is another program this team handles. In 2018, the Streets team picked up almost 10-thousand tons of debris from City streets. The debris otherwise would be left to flow into our storm drainage system, cause road hazards, and could even lead to air pollution problems.

With tight labor markets and increasing supply costs, the Streets team has focused on process and technology innovations to enhance its efficiency. Winter 2019 was the first year of a five-year lease of 37 road graders, saving the City over \$1.5 million. In addition, the Streets team is piloting installation of mobile technology in street sweepers in order to track locations and patterns. Eventually, the plan is to install this technology in the snow clearing equipment to increase efficiency in the removal of snow and better regulate the distribution of salt, which is a major component of the winter Streets budget.

PUBLIC WORKS

STORMWATER



Many residents do not think much about storm water infrastructure until experiencing a significant rain or flooding event like the flooding that occurred in spring 2019. The weather patterns over the past decade have produced many high-intensity rain events

which is bringing greater attention to this important utility.

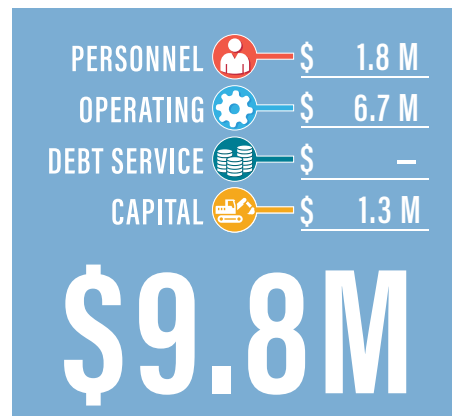
The Stormwater division manages over 463 miles of storm water collection system, 103 miles of sump pump system, more than 11,387 storm inlets, 75 drainage ponds, 153 drainage channels, and 28 miles of levee system. Without the careful design and management of this system, even a small rain could turn into a flood event.

Managing this system includes jetting and televising pipes for obstruction, reviewing plans for new developments for conformance with design standards, inspecting the levee system for function, construction of regional BMP's, and water quality sampling of the Big Sioux River and urban tributaries.

The Stormwater division adds two FTE staff in 2020 in the stormwater engineering and collections teams. A newly added Engineering Technician will focus on inspection of new construction sites for conformance with permitted plans, design standards and addressing any issues prior to occupancy. A new Collections Technician will perform televising and jetting of the ever-expanding stormwater collection system. This has been a struggle to do without overtime and six-day weeks in recent years necessitating the need for adding a position in 2020.

A key challenge over the next several years is ensuring that the City's existing design standards are sufficient to meet future needs. Another challenge is dealing with sump pump nuisance flows that may require mandating connections to the sump pump collection system in areas where available, and retrofitting problem areas in mature portions of the community.

LIGHT & POWER



Sioux Falls Light and Power helps make sure residents feel safe on streets no matter the time of day. The Light and Power division of Public Works proudly designs and manages the entire street lighting system for our city and interstate system.

Light and Power

began converting streetlights to new LED technology in 2016. The Capital Program includes funding for replacing between 1400 and 1600 lights each year—increasing the average life of a bulb from four years to up to 20 years, all while using half of the electricity! This results in significant long-term savings in power costs which has typically been budgeted at \$1.57 million annually.

In addition to caring for and maintaining our lighting system, this division also maintains a power system that includes over 93 miles of distribution wire and service to around 2,800 customers. The division is using new technology to upgrade the current meter system to a smart, auto-read system that will allow customers to view real-time usage data and even pay bills online.

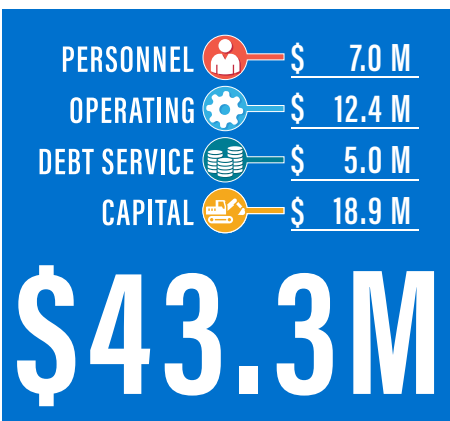
Another exciting program for Light and Power includes the conversion of older overhead power lines to an underground system. Converting overhead lines to an underground system increases safety and greatly reduces the risk of outages and maintenance issues due to weather and mature trees.

A ten-year master plan identified the existing substation to be nearing capacity. Light and Power is currently in the regulatory phase of designing a new sub-station to support the long-term power supply needs of current and future customers. Lights and Power also has an inspection program that tests 20% of wood poles every two years and replaces those that fail. This year, Light and Power is modifying this strategy to treat every pole that passes inspection, increasing the wood pole's life by 60%, thereby maximizing maintenance of existing assets and reducing long-term expenses.



PUBLIC WORKS

WATER DIVISION



Safe and clean drinking water is the most basic of community needs, and as residents of Sioux Falls, we have come to expect that we will have clean drinkable water from our faucets on demand. The goal of the Water division is to provide the highest level of

service while providing safe, clean drinking water at all times. The Water division has secured future water supply capacity to meet projected City needs through approximately 2050. The division continues to look at cost-effective opportunities to encourage water conservation as well as explore potential future water supplies.

Continuing to invest in maintaining existing infrastructure while supporting the need for expansion is key to a strong water purification and distribution system. In 2019, the division brought forward a plan to hold rates steady for the next five years, while also maintaining a solid financial footing having paid off several loans early in 2019 with most remaining loans scheduled for pay off by 2023. The largest investment by the Water division was in the Lewis and Clark regional water system, which is scheduled to be paid off in 2026.

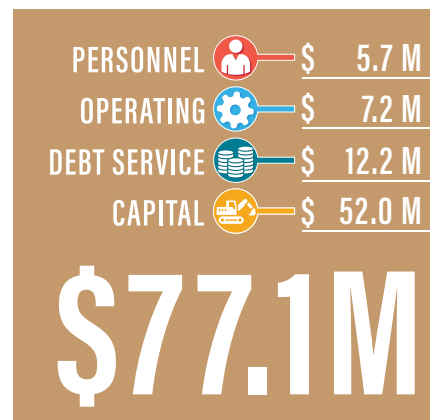
The Water division provides an average of 19.8 million gallons of clean water, every day, to our community - enough water to fill 30 Olympic-size swimming pools! Expertly trained lab analysts and state-certified water treatment operators work tirelessly to ensure our community has access to exceptionally clean, safe water. In 2018 alone, Water Purification conducted more than 170,000 analyses on more than 250 substances, far exceeding the minimum testing requirements.

Key activities in 2020 will be completion of the Water System Risk and Resiliency Report followed shortly thereafter with an Emergency Response Plan, both required by federal legislation



passed in 2018. The Water division is designating \$50,000 for completion of both of these reports in 2020. Other major projects in 2020 include USGS Airborne Electromagnetic Mapping of the aquifers to maximize future well placements, upgrading outdated meters with ultrasonic meters, reconditioning one water tower, working with Ecologics to implement non-invasive technology to assess water main pipe condition, and continuing the pilot of Pex-A water service pipe alternatives.

WATER RECLAMATION



Think back to how you began your day; did you use a toilet, take a shower or wash dishes? Have you ever wondered where that water, and the waste it contains, goes?

The Water Reclamation division of Public Works is dedicated to the collection

and treatment of all of our city's wastewater. A system of 917 miles of public sewer, force mains, and 20 lift stations carry an average of 18.9 million gallons of wastewater into the Water Reclamation facility every day—that is enough wastewater to fill an Olympic-size swimming pool more than 28 times! The water goes through an 11-step process to ensure it is clean and safe before it is released into the Big Sioux waterway. All of the water that leaves the facility is at least 98% cleaner than when it came in!

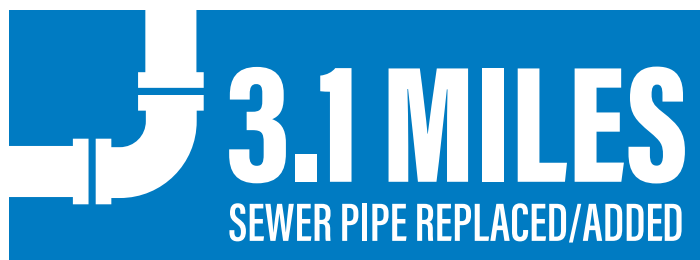


The focal point for Water Reclamation's capital program is the expansion of the existing water reclamation facility, which was originally built in the 1980's, and is experiencing average flows approaching 90% of its design capacity. As a result, the City undertook a master plan study and is proceeding forward on a \$159 million multi-phase expansion of the water reclamation facility and collection system. Over \$37 million is designated in

PUBLIC WORKS

the 2020 capital program to assist with the expansion of this facility. Other major projects planned for 2020 include Pump Station #240 capacity improvements estimated about \$39.39 million, a lift station improvement project for repairs at 11 existing lift stations for \$3.86 million, and the Basin #15 Sanitary Sewer Expansion project in west Sioux Falls with a \$7.71 million total cost.

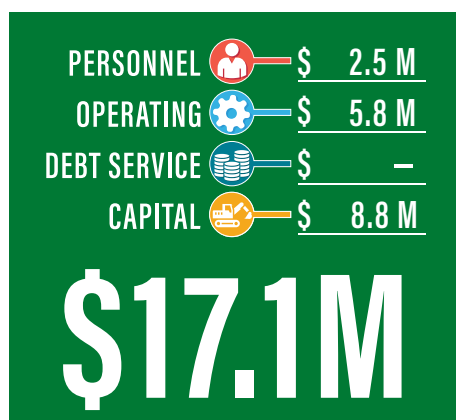
Major operating changes include acquiring an additional Vector unit for cleaning sanitary sewer lines and avoiding backups, as well as adding three staff positions. Two Sewer Collection Technicians, along with the acquisition of a truck, will add an additional team for the force main infrastructure. They will maintain the air release valves on the collection system to ensure they remain operational. This critical infrastructure does not currently have a program for repair and maintenance, and this team will move the City from a reaction-based approach to a proactive approach to maintaining this critical infrastructure.



Additionally, Water Reclamation would be adding a Controls Technician who is responsible for programming, maintaining and repairing the City System Control and Data Acquisition (SCADA) system at the 16 campus buildings, as well as maintaining 21 remote pump station sites.

While a major focus of the Capital Program is improvements to the Water Reclamation infrastructure, this expansion is key to providing a solid foundation to support a growing community as well ensuring that the existing 35-year-old facility continues to be functional.

LANDFILL



There's little explanation needed to understand the importance of a well-run sanitary landfill. While national news abounds with stories of municipalities challenged with waste disposal capacity, thoughtful planning and investments in innovative waste

reduction strategies place the current useful life of the Sioux Falls Regional Landfill out as far as 2076. This is no small

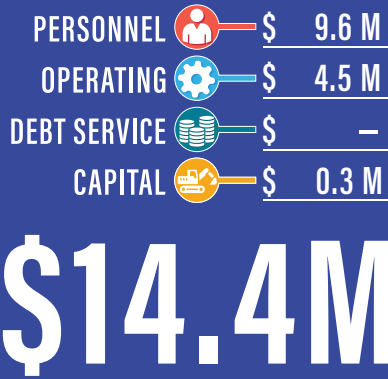


achievement given that the regional landfill serves five counties and a population of over 278,000 people, collecting an average of 1,000 tons per day of municipal solid waste and construction and demolition debris.

Investments in technology have allowed the Landfill to collect Landfill Gas (LFG) from an approximately 90 acre footprint and a series of vertical and horizontal wells which is processed at the gas conditioning system before directing it to the POET ethanol plant in Chancellor.

Looking forward, the next solid waste disposal area (Cell 4) is anticipated to be required in late 2023 or early 2024. Planning is already in progress for construction of this Cell, which would begin with excavation in 2021 and general construction in 2022. Other significant projects include the evaluation of the current scale house and entrance area in terms of its effectiveness for the growing customer base. It is anticipated that the scale house may need to be replaced in the next five years. The Landfill is also currently expanding the current composting facility to include an additional 750 tons of gravel surfacing and 13,000 tons of asphalt concrete composite.

HEALTH



In order for a community to be vibrant, recruit and retain employees, help children learn, and foster innovation, we must first be healthy. Often times, families have to choose between paying for housing or paying for medical care. We know that life expectancy can vary

as much as 14 years depending on what area of Sioux Falls you live. We also know that tooth pain is a primary reason kids miss school. While Sioux Falls is a strong community, EVEN HERE, these challenges impact the lives of individuals and families on a daily basis.

The Health department works to improve the quality of life of residents by preventing or controlling disease, mitigating adverse health conditions and threats, and providing an open door to primary health services.

Ensuring the department has the workforce needed to carry out their mission continues to be a challenge. For example, the department currently has three committed dentists for the community through Falls Community Health. Available grant funding allowed the clinic to add a fourth dentist, but the department has been challenged in filling this position. The department also continues to be challenged in retaining certain positions such as advanced practice providers due to high demand in the community for primary care practitioners.

To address this challenge, the department needs to ensure it has the technology, equipment, supplies and materials to support the programs and services of the department. The 2020 Capital Program includes immediate needs for the department including lab equipment, a vehicle for environmental inspection, and a utility vehicle to access tough to reach mosquito habitats. Just like other departments across the City, enhancing innovation and technology will provide an ongoing opportunity to improve access to information, data analytics, and efficiencies across the Health department.

The most recent Community Health Needs Assessment conducted through the Live Well Sioux Falls program identified new community health and wellbeing needs, and, from that report, a new priority emerged and is recommended for in the 2020 budget. It has been said that the Sioux Falls Social service sector is “program rich but systems poor”. This accurately reflects the issues at hand for individuals suffering from mental illness and addiction to drugs or alcohol, appropriately called Substance Use Disorder (SUD). All too often, individuals in crisis with these conditions cycle in and out of jail, or the local emergency departments which is commonly referred to a “treat and street”.

The Community Triage Center (CTC) will be a community facility, located in the City Annex, which provides an alternative to the emergency department or jail for those with SUD as well as those experiencing a mental illness crisis. Services at the CTC will include detox and sobering services, psychiatric acute care clinical services, assessment for SUD, initiation to medically assisted treatment for opioid addiction, recommendations and referral for SUD treatment or mental health services, and other community based support services.

The 2020 budget includes the City of Sioux Falls’ commitment to fund a CTC in partnership with Minnehaha County, Sanford and Avera. The 2020 budget moves the City’s existing commitment to funding detox from the Police Department’s budget over to the Health department’s budget. An additional \$100,000 in operating support is also budgeted to help fund initial operating expenses for the CTC, which is expected to open sometime in summer 2020.

Support for the CTC has been widespread across the community and the collaboration amongst the governmental and health-care partners is a model for what can be achieved when multiple stakeholders coalesce around a unified vision for the benefit of the entire community.

41,000
MEDICAL & DENTAL VISITS IN 2018



COMMUNITY
TRIAGE
CENTER

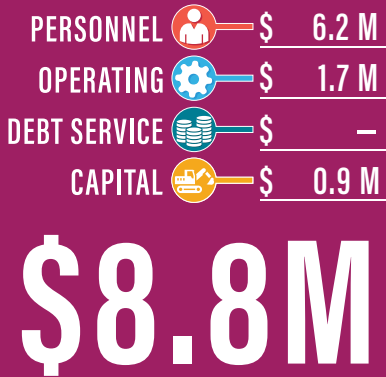
3,300 PATIENTS
SCREENED FOR DEPRESSION &
CREATED A FOLLOW-UP PLAN

8,547 INSPECTIONS

3,539 FACILITY INSPECTIONS
5,008 NUISANCE INSPECTIONS



SIOUXLAND LIBRARIES



Checking out a book is only part of the important service model provided by Siouxland Libraries. Our library system and staff connect residents to a world of information and resources that can enrich and change their lives. Some of these resources include learning

computer skills, finding employment information, and early literacy and after school programs. Real stories of people getting back on their feet and growing as a person happen every day at the Siouxland Libraries.

Since 1995, Siouxland Libraries has served residents in Sioux Falls and Minnehaha County through five branch libraries in Sioux Falls, and eight branches in other communities. More than 1.2 million people visit a Siouxland Libraries branch or the bookmobile annually, borrowing over 2.25 million items and attending one of more than 50 programs offered by the Library every week. The County is a key partner with the City by funding about 15% of Siouxland Libraries' budget.

Recognizing that not everyone has the ability to go to the library, staff have worked diligently to extend their services beyond the Libraries' 13 physical locations. The Library brings service into the community via the Children's Bookmobile, and by delivery to

in-home daycares, to those that are homebound, and to senior living facilities. Books are also couriered between branches to maximize efficiencies, and the 2020 Capital Program includes funding for replacement of the delivery vehicle.

Siouxland Libraries has identified three key priorities that guide its strategy going forward. The first priority is maximizing citizen access to books, eBook, eAudio and other library assets, online information via public computers, and diverse programming that stimulate personal development. As technology and preferences change, Siouxland Libraries has also shifted by investing more in eBook and eAudio services.

The second priority is providing a shared space for everyone - from schoolchildren doing homework, the unemployed resident searching for a job and the senior wanting to understand other cultures by attending a book discussion. Siouxland Libraries are a place where people make connections.

The third priority for the Library is to lead the community in improving early literacy skills. In Sioux Falls, only 62% of children were kindergarten-ready in the area of reading in 2017, and fewer than half of students of color and students from low-income households entering kindergarten had on-grade literacy skills. The Library has a long history of excelling in this area with story time for babies, toddlers, and preschoolers. Siouxland Libraries is connecting with institutions and organizations to understand how we can best help our children from birth to age five in preparing to learn to read.

 **51,985** PEOPLE
ATTENDED 2,615 PROGRAMS

**MORE THAN
1 MILLION**
VISITORS 

 **184** CHILDREN'S LEARNING TABLETS

 **2,225,400**
ITEMS BORROWED

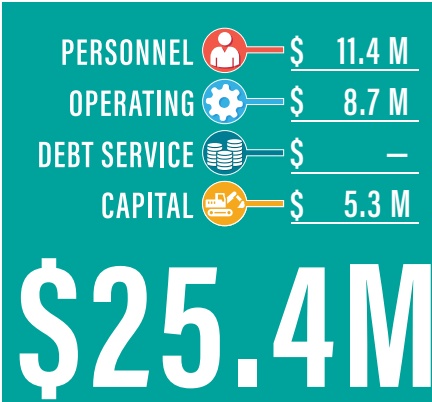
 **97,122**
LIBRARY
CARDHOLDERS

592  **BOOKMOBILE STOPS**

 **25,626**
HOURS OPEN
FOR SERVICE

 **162,420**
COMPUTER SESSIONS

PARKS & RECREATION



Sioux Falls residents love to get outdoors, particularly after a cold and snowy winter. The Sioux Falls Parks and Recreation System encompasses more than 3,300 acres of park space, 30 miles of award winning bike trails that meander along the Big Sioux River and through downtown, five outdoor

pools, two outdoor spray parks, an indoor aquatic center, several ice rinks, volleyball and tennis courts, football fields, lacrosse fields, and five community centers. Larger baseball, softball and soccer complexes maintained by Sioux Falls Parks and Recreation regularly host regional and national tournaments attracting thousands of people who stay, eat, and shop in our community.

Many significant capital investments have been made in the community over the past several years including the construction of the MIDCO® indoor aquatic center and the Levitt Shell at Falls Park, which is now open and will host 30 free concerts in 2019, with 50 planned annually for 2020 and beyond. In addition, the Parks and Recreation department partners with more than 70 non-profits in the delivery of various amenities and activities including the Great Plains Zoo and Delbridge Museum of Natural History, Great Bear Ski Valley, the Mary Jo Wegner Arboretum and East Sioux Falls Historic Site, as well as many youth and adult sports associations.

Recognizing the variety and strength of our existing parks and recreation resources, a broad theme for the department in 2020 is centered on taking care of what we have to ensure the sustainability and excellence of these resources into the future.

This includes adding a Park Service Worker in 2020 to maintain its growing number of assets added in recent years. The 2020 budget also adds \$380,000 to the Parks and Recreation repair and maintenance budget, a 16% increase over 2019 that will allow the department to focus additional resources on door and water fountain replacements at various parks, turf management, and parking lot maintenance. The Capital Program also includes funds in 2021 for further development of the parks storage campus, allowing the City to store more equipment inside, extending its useful life and allowing for ease in maintaining the equipment ongoing.

The Parks and Recreation department continues to move forward with a bold initiative to raise \$10 million in private monetary and in-kind donations for the Sioux Falls Parks and Recreation System. With recent announcements of a large donation of land to Family Park, as well as the announcement of a private gift to build a dog park downtown, the department is well on its way to achieving this goal. The second major initiative identified by the department is the completion of the River Greenway Phase 3 and Kiwanis Park improvement project in downtown Sioux Falls. This would continue moving forward the River Greenway development that has made downtown a preeminent location for recreation, special events, and nightlife while also fueling economic and business development in the surrounding area. It is anticipated there will be capacity to include funding for continued investment in the River Greenway as part of the new sales tax bond issuance which would also include the Public Safety Training facility and Fire Station No. 12. The 2020 budget and capital program includes debt service for these investments.

In 2019, the department embarked on the development of a Comprehensive Plan for the entire Parks and Recreation system that will help guide investment decisions for years to come. In late 2019, the department is also starting the process of a Falls Park Master Plan that will identify specific projects and phases for improvements to existing assets as well as identify future investment opportunities at Falls Park.

MAINTAIN 30 MILES OF TRAILS



SERVING OVER 2.7 MILLION VISITORS & ATTENDEES



IMPROVEMENTS TO 37 PARKS

5 YEAR
PLAN



2600 ASH TREES REMOVED 500 NEW TREES PLANTED



3,183





INDIVIDUALS PARTICIPATED IN SWIM LESSONS

IN 2018

230 PROGRAMS ACROSS ALL LOCATIONS



ENTERTAINMENT VENUES

PERSONNEL		\$	—
OPERATING		\$	5.7 M
DEBT SERVICE		\$	—
CAPITAL		\$	4.6 M

\$10.3M

A big part of what makes Sioux Falls such a great place to live is the City's investments in economic development and a vibrant quality of life. The collection and investment of a one percent sales "entertainment" tax on lodging accommodations, dining-out, alcohol sales, and

\$259,000 in ticket sales for the Steve Martin and Martin Short comedy show. Additionally, the seven-show engagement of LES MISÉRABLES in June sold over 11,000 tickets, generating over \$750,000 in revenue.

Maintaining and enhancing our existing entertainment venues while ensuring financial sustainability requires thoughtful and strategic planning. The City takes a long-term approach in planning for future capital replacement and upgrades to the facilities. This approach ensures funds are available to not only maintain these facilities but also ensure investments are made that enhance the ability for these venues to attract shows, events, and activities that appeal to an even broader segment of our community.

WHAT'S HAPPENING IN 2020?

The Convention Center will see lighting, floor box, acoustical panel, and boiler updates; hockey ice expansion joint and shielding replacement along with HVAC improvements will be made at the Denny Sanford PREMIER Center; the Washington Pavilion will complete HVAC upgrades, café renovations, and continued exhibit improvements; a boiler replacement as well as network and security upgrades are planned for the Orpheum Theatre. The 2020 budget also includes funding for professional services within the Events Complex for continued study and master planning.

WHAT'S BEYOND 2020?

A large improvement project currently being evaluated is the need to repair and replace the cornice and parapet on the roof of the Washington Pavilion. Based on age and required capital investments needed for the Arena and Baseball Stadium, now is the opportune time to assess the future roles that these facilities play and determine the "right" investments that are needed to ensure maximum efficiency for any future investments. Until a final determination is made in regard to the Arena and Baseball Stadium, capital investments in these facilities will be minimized based on immediate needs.



91,000 PEOPLE
VISITED THE KIRBY SCIENCE
DISCOVERY CENTER IN 2018



SOLD-OUT EVENTS
AT THE DENNY SANFORD
PREMIER CENTER ALL-TIME



ENTERTAINMENT
VENUES EMPLOY
875 PEOPLE


MORE THAN
3 MILLION
PEOPLE

HAVE ATTENDED EVENTS AT THE DENNY SANFORD
PREMIER CENTER SINCE OCTOBER 2014



259 CONVENTION
CENTER EVENTS
DREW MORE THAN
190,000 PEOPLE
IN 2018

PLANNING & DEVELOPMENT SERVICES

PERSONNEL  \$ 5.6 M
OPERATING  \$ 8.9 M
DEBT SERVICE  \$ 0.2 M
CAPITAL  \$ 54,200

\$14.7M

Our city is on the verge of reaching a population in excess of 200,000. This population growth demands that we continue to build engagement and relationships with both internal and external customers to ensure investments and planning efforts are

thoughtful and sustainable.

Planning and Development Services serves a key role in providing direction for the physical development and quality of life within the City through housing, transit, transportation, long-range planning, downtown development, historic preservation, neighborhood conservation, and coordination of public improvements and private development with the comprehensive plan, zoning and subdivision ordinances.

The City of Sioux Falls issues around 7,000 building permits a year for everything from fences to major commercial projects. In 2020, we are committed to improving the customer experience, strengthening relationships and enhancing transparency and communication. This will be accomplished in part by adding a Permit Technician position, expanding online access through Customer Self-Service (CSS) and improving internal processes to better prioritize and improve response time, especially for commercial projects.

The City has invested significant resources into our Downtown that continues to benefit the community economically, culturally and socially. Central to this growth has been the River Greenway and the private investment this project continues to create. With the recent announcement of the Sioux Steel project, complimented by the downtown Rail Yard development, thoughtful consideration of infrastructure including the next phase of the River Greenway will be key to moving these projects across the goal line.

As the City plans for major reconstruction of the north end of Minnesota Avenue, Planning and Development Services has also prioritized a corridor study. The intent of the study is to maximize the City's investment and to work with current and future residents, developers and tenants to develop and communicate a plan going forward for this corridor's revitalization longterm.

The continued growth of Sioux Falls provides both challenges and opportunities as we continue to look for ways to efficiently and effectively move projects through the City's process. Supporting growth that is sustainable and that continues to protect the investments of the City and owners is an ongoing balance. The Planning & Development Services department is committed to working towards "yes" while protecting the integrity that has built the wonderful city we all enjoy today.



**275 SUBDIVISION PLATS APPROVED,
TOTALING 1,021 ACRES**



56,895
PHONE CALLS ANSWERED



6,873 PERMITS ISSUED



PROVIDED ASSISTANCE TO
431 HOUSEHOLDS
IN 2018



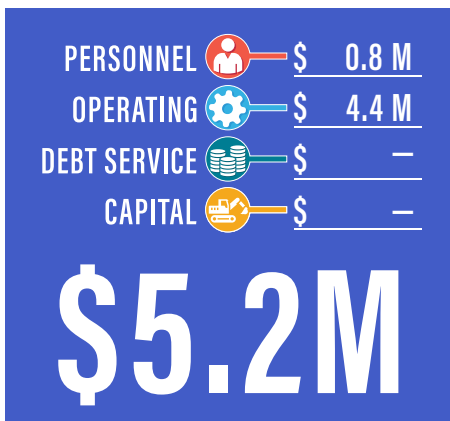
873,536 RIDES
TRANSIT—782,129 RIDES
PARATRANSIT—91,407 RIDES



58,927
INSPECTIONS

PLANNING & DEVELOPMENT SERVICES

HOUSING DIVISION



Whether it is the home where you grew up, the first apartment you rented, or the place where you raise your own family, the concept of “home” has special meaning for all residents. Safe, quality, affordable and accessible housing serves as the foundation for a sustainable commu-

nity, impacting everything from public safety, workforce and economic development, quality of life, or transportation. It is a core tenant of the One Sioux Falls framework and it is unrealistic to make a safe, vibrant, and engaged community without it.

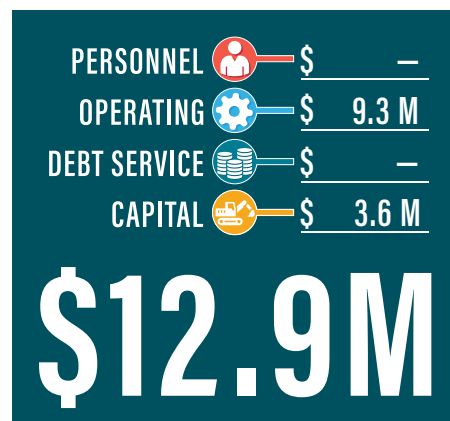
The Housing division is developing a 2022 accessible housing strategy that outlines a plan for the City, working collaboratively with the private sector and the nonprofit community, to preserve existing housing stock and create 1,000 dwelling units over the next four years.

Housing is taking a new, innovative approach to investing funds and maximizing the number of units that can be developed or rehabilitated. Efforts are already underway to collaborate with private and nonprofit housing stakeholders to develop larger tracts in core areas of Sioux Falls versus the more singular approach used in the past. The goal is to expand the number of units redeveloped in core areas each year at a much lower investment of City funds per unit. The time has come to “rethink” how the City has handled its affordable housing investments and leverage opportunities with the private sector and nonprofit community that are already making strides in this area.

Navigating the system for assistance in housing is complex making it challenging for individuals with housing needs to identify housing opportunities that may already exist. In the next year, Housing will be working with Minnehaha and Lincoln Counties, and supporting Sioux Falls Thrive’s existing work in this area to create that single entry point connecting families to needed resources.

Another challenge for the community is the loss of existing housing stock around growing institutions that continue expanding in central Sioux Falls. Housing will work collaboratively across departments to identify barriers that make moving homes economically infeasible and analyze ways to modify or remove these barriers. The City will also review how developing core areas through neighborhood revitalization can work in conjunction with moving and preserving existing homes where economically feasible. This opportunity of “innovation through strategic partnerships” will serve as an example to other potential stakeholders interested in partnering with the City on redevelopment.

TRANSIT



For many individuals and families in Sioux Falls, public transit and Paratransit are critical services providing access to jobs, groceries, health care services, banks, and other basic life needs. Recognizing the importance of transit to many people in the community, a major challenge is responding to the

decline in transit ridership and reductions in federal funding for transit services.

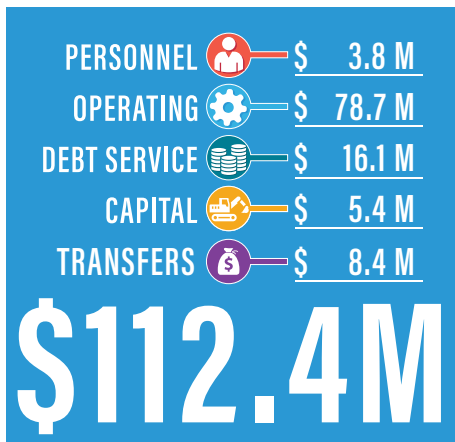
A priority for the City is to provide a safe, accessible, dependable, and financially sustainable transit model. Through the Bloomberg Harvard City Leadership Initiative, a group of 14 City employees from nine divisions came together to form the Transit Core Team. Together they are learning how to find innovative solutions to support the long-term sustainability of the Sioux Falls transit system. The Transit Core Team worked through a process called Human-Centered Design working to understand and define the problem, generate thoughtful discussion on ideas and priorities, and then analyze and test prototype models that could potentially move forward to eventual implementation.

Options reviewed by the Transit Core Team included expanding the current fixed-route system, moving to an on-demand service with rapid transit components, or utilizing technology to support a shift from the existing fixed-route system to a system that incorporates on-demand in the current buses. After completing more financial analysis, and based on follow up with transit users and other transit stakeholders, the last option was determined to be the most viable to pilot.

Going into 2020, the Transit Core Team will work toward piloting the option of using technology to incorporate on-demand components in the fixed-route system. In addition, the Team will be looking at how the existing system could then be feasibly expanded in hours and additional service areas based on efficiencies that might be gained with this on-demand shift. The work completed in 2020 will help determine if the strategy could move to a full scale implementation in 2021.

In the interim, the existing system will continue to be maintained and operated as it has been previously. In addition to \$750,000 in capital support, the City General Fund operating support is up 3.5% to \$5,830,000 in 2020. Although expenditures will be carefully analyzed for execution based on the progress and direction of the Core Transit team, the Transit Fund is scheduled to replace six buses as part of the 2020 Capital Program and continue progress in moving agency rides from Paratransit to a third contracted services carrier.

INTERNAL SERVICE, TRUST & NON-ALLOCATED FUNDS



Internal Service and Trust Funds are used to account for and fund employee benefits, insurance, city-wide fleet services and hardware/software technology. These funds receive contributions from departmental budgets and employees on a cost reimbursement basis

to provide the specified benefit or service. The City is committed to ensuring employee benefits, insurance, technology, and fleet services are well-funded with adequate reserves so that departmental budgets are not adversely impacted by changes in the investment markets, claims experience, or unforeseen events related to these benefits and services.

Employee Benefits – The City of Sioux Falls provides employees with a comprehensive benefit package. Not only is this benefit package very competitive within the local, regional, and national marketplace, the benefits provided are well-funded, providing assurance to employees that they can count on receiving earned benefits.

The City participates in various retirement pension trusts to ensure the long-term financial success of our number one resource, our employees. Employees hired prior to July 1, 2013, participate in either the Employee's Retirement System (Police and General) or Firefighters' Pension Fund fiduciary trusts. Employees hired on or after July 1, 2013, participate in the South Dakota Retirement System (SDRS). Both SDRS and the City pension trusts sit at or near the top of their peer groups in both funding status and investment returns. All plans are fully or near fully funded, maintain a lower than average investment return assumption, and have protections in place to ensure stable contributions. Currently, 468 active City employees participate in SDRS and 772 participate in one of the two City trusts.



The Health Benefits Fund provides for employee healthcare as well as dental benefits and limited, employee only, life insurance. Premiums are established to cover current claims experience as well as fund an adequate reserve to stabilize premiums for both the City and our employees. The City contributes 75% and the

employee contributes 25% of premiums for the more than 3,200 lives covered by the Plan.

The City is well-rewarded for investing in employee wellness. Favorable claims experience allowed the City to go many years without rate increases. Although claims experience has increased over the last several years, the City has been able to moderate rate adjustments due to having a 'healthy' reserve. With current reserves stabilized at 25% to annual expenditures, the 2020 budget reflects modest premium adjustments to keep pace with claims experience and maintain an adequate reserve.

The Workers' Compensation Fund supports our employees who are injured in the course and scope of their job by covering lost wages, medical expenses and ensuring an appropriate, timely and safe return-to-work. The City of Sioux Falls self-insures its exposure for Worker's Compensation risk and utilizes a third-party administrator to process and pay all claims.

The 2020 budget reflects minor departmental shifts, but overall premiums were held consistent to the previous year given adequate reserve levels have been established including a loss reserve to fully fund all past Workers' Compensation claims. These level premiums are in large-part due to the City's continued efforts and investment in accident and injury prevention executed with specialized full-time safety personnel at the City and the City's third-party administrator.

The Property and Liability Fund is an internal service fund used to account for property and liability losses of the City. The City participates in the South Dakota Public Assurance Alliance for comprehensive liability coverage. The City is primarily self-insured for property losses with insured coverage for major losses. The departments are charged a premium based on risk and loss history. As the Fund carries sufficient reserves to buffer the City from non-catastrophic property losses, departmental premiums were held constant in 2020.

The City's Fleet and General Services (Technology) Funds are used to efficiently manage the City's centralized fleet and technology equipment/software. This city-wide centralized approach allows the City to take a strategic approach to replacing equipment and software, encourage departmental collaboration in sharing equipment, stabilize departmental budgets when high value equipment is being replaced, ensure equipment is being properly maintained, and providing for replacements in the most productive manner. Although both funds have adequate near-term reserves, the 2020 budget reflects the City's continued focus on making improvements to the Fleet financial model to ensure longer-term stability.

SALES TAX SUPPORTED DEBT

The City of Sioux Falls utilizes debt service only for capital infrastructure investments. The City's per capita total debt was \$1,731 as of year-end 2018, which is approximately \$1,000 per capita less than the next lowest peer city in the region. The \$16.1M shown above is the second penny sales tax supported (non-enterprise) debt service.